

## MONTGOMERY COUNTY

# Council Approves Measure Requiring Home Sellers to Disclose Tax Increase

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Anyone trying to sell a house in Montgomery County will have to disclose the likely increase in property taxes that will occur once the property changes hands, under legislation unanimously approved yesterday by the County Council.

The new taxes are often thousands of dollars higher than those currently charged because of rising property values.

The measure, sponsored by County Council Vice President Phil Andrews (D-Gaithersburg-Rockville), will take effect April 1, despite protests from real estate agents and sellers in the audience who complained it will be too onerous.

County Executive Isiah Leggett (D), who backed the bill, said he will assign the consumer protection office to set up a computerized worksheet and help sellers calculate the likely tax increase.

Andrews introduced the bill in September, saying it could help prospective homeowners figure out the real cost of their purchases and avoid getting in over their heads financially.



COURTESY OF PHIL ANDREWS

**Vice Chairman Phil Andrews says the bill will protect home buyers.**

The practice now in place in Montgomery and most jurisdictions allows the seller to list current property taxes on an informal flier or advertisement, rather than account for the higher tax that usually kicks in after a sale, when a lid on taxes in owner-occupied properties is lifted. The new amount often is not disclosed by the seller until the buyer is at the settlement table and would risk paying large penalties for suddenly backing out of a deal.

"This bill will provide crucially

important information to prospective home buyers," Andrews said.

Council member Duchy Trachtenberg (D-At Large) has proposed legislation on another disclosure issue. It would require swifter notification of prospective homeowners that the property they are eyeing is part of a development district, where they would pay more in taxes for some county services, such as roads.

The issue flared up earlier this year when residents of Clarksburg Town Center said they were unaware that they were liable for at least \$1,500 more a year in taxes to allow the county to repay the developer for roads, green space and other community amenities.

Council President Michael Knapp (D-Upcounty), whose district includes the growing Clarksburg area, has called for the county to abandon three development districts where his constituents have complained they were never properly notified that they would be responsible for the extra taxes.

The three developers disputed that, saying they had included legally binding notice to homeowners in documents that residents signed when they bought their homes.